

AMENDED IN ASSEMBLY MAY 23, 2014

AMENDED IN ASSEMBLY APRIL 29, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1953

**Introduced by Assembly Member Skinner
(Principal coauthor: Assembly Member Williams)**

February 19, 2014

An act to add Article 13 (commencing with Section 16429.40) to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, relating to energy efficiency.

LEGISLATIVE COUNSEL'S DIGEST

AB 1953, as amended, Skinner. Higher Education Energy Efficiency Act: financial assistance.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission. Under existing law, the commission may apply for and accept grants, contributions, and appropriations, and award grants consistent with the goals and objectives of a program or activity the commission is authorized to implement or administer.

This bill would enact the Higher Education Energy Efficiency Act. The bill would create the Higher Education Energy Efficiency Fund in the State Treasury and would make moneys in the fund available to the State Energy Resources Conservation and Development Commission, upon appropriation, to provide financial assistance, including ~~grants~~, no-interest or low-interest ~~loans~~, *loans* and loan loss reserves, to University of California and California State University campuses for building retrofits to reduce the demand for energy. The bill would

require the commission, in consultation with the President of the University of California and the Chancellor of the California State University to establish a system to prioritize eligible campuses for this financial assistance, as specified. The bill would require the recipients of this financial assistance to report to the commission the annual energy savings achieved from projects supported by the financial assistance, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) The University of California has committed
- 2 to achieving carbon neutrality through aggressive measures to
- 3 increase energy efficiency and develop renewable energy. The
- 4 University of California’s model should produce substantial
- 5 environmental and economic benefits, leverage current and planned
- 6 investments by the University of California and others, and include
- 7 projects that are immediately ready to commence.
- 8 (b) The California State University has similarly committed to
- 9 lowering annual energy consumption, reducing greenhouse gas
- 10 emissions, and lowering energy-related operating costs. Over a
- 11 five-year period, the California State University expects to decrease
- 12 demand by 5 percent and decrease electrical consumption across
- 13 the California State University system by 10 percent. The
- 14 California State University has committed to incorporate workforce
- 15 development strategies into its energy efficiency model.
- 16 (c) There are opportunities to reduce both the economic cost
- 17 and carbon footprints of campus facilities at the University of
- 18 California and the California State University by having more
- 19 energy-efficient buildings, operations, and maintenance. These
- 20 financial savings could provide flexibility to pay for other upgrades
- 21 to enhance the learning environment and access to higher
- 22 education.
- 23 (d) It is in the best interest of the state to quickly reduce energy
- 24 consumption at university facilities, especially through building
- 25 retrofits that achieve the highest levels of energy efficiency
- 26 improvement.

1 SEC. 2. Article 13 (commencing with Section 16429.40) is
2 added to Chapter 2 of Part 2 of Division 4 of Title 2 of the
3 Government Code, to read:

4
5 Article 13. Energy Efficiency for Higher Education Facilities

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7 16429.40. This article shall be known, and may be cited, as
8 the Higher Education Energy Efficiency Act.

9 16429.41. As used in this article:

10 (a) "Chancellor" means the Chancellor of the California State
11 University.

12 (b) "Commission" means the State Energy Resources
13 Conservation and Development Commission.

14 (c) "Eligible institution" means a campus of the University of
15 California or a campus of the California State University.

16 (d) "Financial assistance" includes, but is not necessarily limited
17 to, ~~all~~ *both* of the following:

18 ~~(1) Grants.~~

19 ~~(2)~~

20 (1) No-interest or low-interest loans.

21 ~~(3)~~

22 (2) Loan loss reserves.

23 (e) "Fund" means the Higher Education Energy Efficiency Fund
24 established pursuant to Section 16429.42.

25 (f) "President" means the President of the University of
26 California.

27 16429.42. (a) The Higher Education Energy Efficiency Fund
28 is hereby created as a special fund in the State Treasury.

29 (b) Moneys in the fund shall be available to the commission,
30 upon appropriation by the Legislature, for the implementation of
31 this article.

32 16429.43. (a) It is the intent of the Legislature that the
33 commission administer the fund and implement this article in
34 coordination with the chancellor and the president to provide
35 financial assistance to eligible institutions for building retrofits
36 that reduce the demand for energy.

37 (b) The commission shall award financial assistance pursuant
38 to this article, subject to the following:

39 (1) The financial assistance shall be awarded only to eligible
40 institutions.

1 (2) The commission shall ensure that adequate energy audit,
2 measurement, and verification procedures are employed to ensure
3 that energy savings occur as a result of the financial assistance.

4 (c) (1) The commission shall adopt any regulations or guidelines
5 necessary to implement this article. Notwithstanding any other
6 law, regulations pursuant to this section may be adopted as
7 emergency regulations pursuant to Chapter 3.5 (commencing with
8 Section 11340) of Part 1 of Division 3.

9 (2) For the purposes of Chapter 3.5 (commencing with Section
10 11340) of Part 1 of Division 3, including Section 11349.6, the
11 Office of Administrative Law shall consider the adoption of the
12 regulations pursuant to this subdivision to be necessary for the
13 immediate preservation of the public peace, health and safety, and
14 general welfare.

15 (d) The commission, to the extent possible, shall utilize existing
16 resources and expertise in implementing this article.

17 (e) (1) Any eligible institution may submit an application to
18 the commission for financial assistance from the fund for energy
19 efficiency improvements. The form of the application shall be
20 established by the commission.

21 (2) The commission, in consultation with the chancellor and
22 the president, shall establish a system to prioritize eligible
23 institutions for financial assistance through this article.
24 Prioritization shall take into consideration circumstances that shall
25 include, but not be limited to, the age of the campus facilities, the
26 proportion of students at the campus receiving Cal Grant awards,
27 whether the facilities have been recently modernized, the potential
28 for demand reduction, and the campus's score from a recognized
29 energy rating system or systems.

30 (f) This article shall not affect the eligibility of universities
31 awarded financial assistance pursuant to this article to receive other
32 incentives available from federal, state, and local government, or
33 from public utilities or other sources, and to leverage the financial
34 assistance with those incentives.

35 (g) Each year, on a schedule established by the commission,
36 each eligible institution that receives financial assistance pursuant
37 to this article shall report to the commission the amount of energy
38 saved. Each eligible institution shall compute the cost of energy
39 saved as a result of implementing projects supported by the

- 1 financial assistance. The cost shall be calculated in a manner
- 2 established by the commission.
- 3 (h) The commission shall determine, based on the annual energy
- 4 savings reported by the eligible institutions pursuant to subdivision
- 5 (g), the energy savings achieved pursuant to this article.

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